

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6083

BILL NUMBER: HB 1098

DATE PREPARED: Feb 25, 1999

BILL AMENDED: Feb 24, 1999

SUBJECT: Pilot program for collection of child support.

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FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that a court may order a person who is delinquent in the payment of child support to participate in a specified work release program for the purpose of using the person's earnings to satisfy the person's child support arrearage. The bill provides that a person participating in a work release program due to child support delinquency is not entitled to any of the person's earnings until the child support delinquency is paid in full. It applies to both dissolution of marriage and paternity cases. It allows for an action for declaratory or injunctive relief, or both, to be brought against a county official who permits or authorizes a person confined in a county jail to perform construction, remodeling, or repair on any public work.

This bill requires the Child Support Bureau to establish a program to allow a county to contract with a private organization to provide child support enforcement services. The bill allows the Title IV-D agency to limit incentive payments made to a county for collections made by a private organization to funds received by the federal government.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) This bill allows a court to order a noncustodial parent who is delinquent in child support obligations to be confined in a county jail and participate in a work release program. Any wages left after paying expenses of the work release program are to be forwarded to the clerk of the court to pay for the delinquent child support obligation.

This bill requires the Child Support Bureau to develop a program to allow a county to contract with a private organization to provide child support enforcement services. Any costs to the Child Support Bureau in setting up the program can be absorbed within the existing budget.

County prosecutors are currently reimbursed 4.5% of their cost of collecting unpaid child support under the

federal Title IV-D program. The Title IV-D program shares the cost of reimbursement between the federal and state government at a 66% federal and 34% state share. This bill would allow a county to use Title IV-D incentive payments it currently receives from the federal government to pay for the a contract with a private organization to collect child support payments.

Both of the provisions of this bill may increase the amount of child support collected. To the extent that child support payments are increased at certain marginal levels of income, some custodial families may be prevented from going onto the Temporary Assistance for Needy Families (TANF) program or may be aided in coming off the TANF program. The TANF program is a cost-shared program with the federal share being 63%, the state share being 22%, and the local share being 15%. TANF eligibility also guarantees eligibility for Medicaid (shared 61.31% by the federal government and 38.69% by the state).

Secondly, to the extent that these actions lead to an increased recovery of child support payments by the state when payments have been assigned to the state by the application for assistance under TANF, there could be positive impacts on federal, state, and local governments.

Explanation of State Revenues: To the extent that these actions lead to increased recovery of child support payments by the state when payments have been assigned to the state by application for assistance under TANF, there could be a positive impact on federal, state, and local governments.

Explanation of Local Expenditures: See State Expenditures.

Explanation of Local Revenues: See State Revenues.

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected: Counties.

Information Sources: Lauren Polite, FSSA, 232-1149.